



Grand Venture Technology Limited

(Company Registration Number 201222831E)

NEWS RELEASE

GRAND VENTURE TECHNOLOGY FY20 NET PROFIT RISES 68.4% TO \$5.2M

- ✓ 53.2% jump in revenue to \$61.4m
- ✓ Demand expected to remain healthy throughout FY2021

Singapore, 22 February 2021 – Homegrown manufacturing solutions and services provider, **Grand Venture Technology Limited**, together with its subsidiaries (杰纬特科技有限公司, “GVT”, or the “Group”) has registered a 68.4% increase in net profit to \$5.2 million in the full year ended 31 December 2020 (“FY2020”), compared to \$3.1 million in the preceding financial year (“FY2019”). The increase was on the back of a 53.2% improvement in revenue to \$61.4 million in FY2020, from \$40.1 million in FY2019.

Financial Highlights

\$'million	12 months ended 31 Dec		Change
	2020	2019	%
Revenue	61.4	40.1	53.2
Gross profit	18.9	14.9	26.9
Net profit	5.2	3.1	68.4
EPS (Sgp cents)	2.23	1.34	66.4
Net asset value per share (Sgp cents)	15.74	13.45	17.0

The revenue improvement was driven by growth in both its **Semiconductor** and **Life Sciences, Electronics & Others** business segments, with the former surging 76.6%, to \$42.2 million amid strong demand throughout the year.

The Life sciences, Electronics and Others business segment posted a 18.8% increase in revenue contribution to \$19.2 million, as the Group enjoyed higher production activity following a series of First Article (“FA”) approvals by customers in the Life Sciences industry. The segment’s performance was partially weighed down by a slowdown in the electronics segment following a temporary shutdown of a customer’s facility and supply chain disruptions amid the Covid-19 pandemic.

While gross profit rose 26.9% to \$18.9 million in FY2020, in tandem with the overall increase in business activity, gross profit margin declined to 30.8%, compared to 37.2% in FY2019. This was mainly due to the Group's capability and capacity investments across its facilities during the year, and higher fixed overheads incurred even as operations in its Penang and Suzhou facilities were temporary halted as part of the governments' measures to contain the pandemic in Malaysia and China.

Net profit rose 68.4% to \$5.2 million in FY2020 from \$3.1 million in FY2019, after taking into account higher general and administrative expenses and finance costs arising from an increase in headcount and capital expenditure in tandem with the investments undertaken by the Group.

Amid the ongoing pandemic, GVT expects the operating environment in the current year to remain challenging. Nevertheless, demand for its services should remain healthy, given its growing portfolio of OEM customers in the essential industries of semiconductor, medical and life sciences.

The ISO13485:2016 certification that GVT obtained in June 2020 confirms its ability to provide manufacturing and related services for medical devices in a manner that consistently meets the applicable regulatory requirements. Consequently, the Group was able to enjoy higher demand for its services from the Life Sciences and Medical segments in FY2020. Orders for the life sciences products that it had received FA approvals for last year are expected to increase further this year, even as it is working towards obtaining FA approvals for other products. The Group is also looking forward to commissioning its new Penang facility in mid-2021, following pandemic-induced delays in its refurbishment.

The Group announced on 12 January 2021 that it had entered into a conditional placement agreement with NT SPV 12, a wholly owned subsidiary of private equity fund, Novo Tellus PE Fund 2, to raise net proceeds of approximately \$23.5 million. All going smoothly, the proceeds raised should strengthen the Group's financial position and capital base, providing it with more resources for its operations and the financing of future strategic investments and acquisitions.

About Grand Venture Technology Limited

Founded in 2012, Grand Venture Technology is a fast-growing and trusted solutions and services provider for the manufacture of complex precision machining and sheet metal components and modules. Its manufacturing plants in Singapore, Penang (Malaysia) and Suzhou (China) are backed by the latest automated computer numerical control (CNC) manufacturing technologies, Class 10,000 cleanroom facilities and a certified quality management system. The Group's highly experienced and dedicated team of engineering talent serves a strong global network of established partners and suppliers with a wide range of engineering, assembly, testing and product life cycle management solutions. Its ISO13485:2016 certification bears further testament of its ability to consistently meet applicable regulatory requirements for the manufacture of medical devices.

GVT's portfolio of customers hail from the semiconductor, electronics, analytical life sciences, medical and industrial automation industries, and represent some of the largest OEMs in their respective markets.

GVT was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") Catalist in 2019. Visit <http://www.gvt.com.sg> for more information.

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*This document has been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist. This document has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr Jason Chian, Head, Corporate Finance, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*